Starting Over
Planning For A New Child Support Enforcement System

A Description and Discussion

a presentation of the Office of Child Support Enforcement

Today's Panelists

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The Planning Phase

The Planning APD

Purpose of a Planning APD

First: a planning APD provides the federal government with the initial start-up data necessary to fund a state's planning activities for a new automation project

Second: an APD provides the state and federal agencies with the kind of high level data generally used to monitor a project's progress

Types of APD's

Two Major Types of APD Submissions

- **Planning APD**
  Used to seek reimbursement for planning costs

- **Implementation APD**
  Used to seek reimbursement for costs of designing, developing, and implementing a system

Planning APD

- **Generally used in support of major system development projects, as opposed to less complex computer acquisitions like hardware and software buys**

- **This is a brief document of usually not more than 15-30 pages**

Elements of a Planning APD

1. **Problem Statement**
2. **Project Management Plan (PMP)**
3. **Planning Budget**
4. **Total Project Cost Estimate**

Elements of a Planning APD

The Problem Statement

a. **1-3 pages of general discussion of the problem(s) faced by the agency and of the need to seek a remedy**

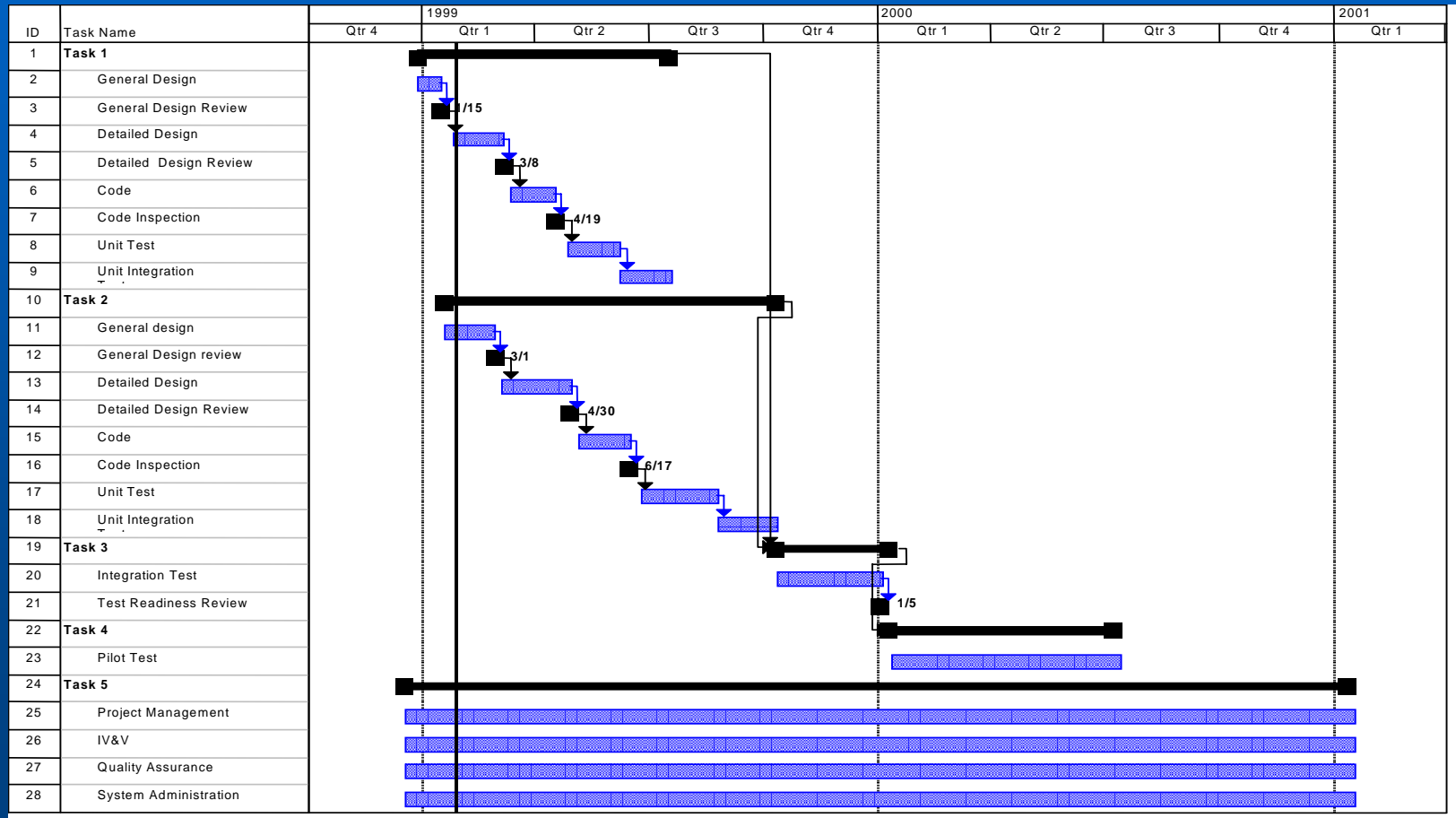b. **Cites examples of issues and problems being faced**

Elements of a Planning APD

The Project Management Plan (PMP)

a. Provides a list of key personnel

b. Provides an organization chart for the planning effort

c. Provides a task-oriented list of planning activities to be conducted including project schedule information

A Project Schedule Example

Elements of a Planning APD

The Project Management Plan (PMP)

- **The task-oriented list of activities to be conducted must include *commitments to conduct* a:**
  - ✓ **Needs Assessment**
  - ✓ **Feasibility Study**
  - ✓ **Alternatives Analysis**
  - ✓ **Cost Benefit Analysis**

Elements of a Planning APD

The Project Management Plan (PMP)

- **Other task-oriented activities that a PMP might include are:**
  - ✓ **Developing RFP's / ITB's**
  - ✓ **Conducting procurements for:**
    - • **Quality Assurance and IV&V**
    - • **Software development**
    - • **Project management support**
    - • **Hardware and Software purchasing**
    - • **Implementation APD development, etc.**

Elements of a Planning APD

Planning Budget

- **Provide a budget spreadsheet showing costs broken-down by Federal Fiscal Quarter (FFQ) and summed to the Federal Fiscal Year (FFY).**

- **Best presentation is to have one page per FFY.**

- **Have last column of each budget spreadsheet show state and Federal shares for each FFY**

Elements of a Planning APD

Budget Categories Include:

- **State staff,**
- **contractors (listed by contract), hardware and software,**
- **training,**
- **miscellaneous/supplies,**
- **travel,**
- **data center (listing both operations and development separately).**

The Implementation APD

1. Executive Summary
2. Statement of Needs and Objectives
3. Feasibility Study *(Includes a summary of the study and the Analysis of Alternatives)*
4. Project Management Plan
5. Interface Requirements
6. Security
7. Budget *(Including cost allocation, if needed)*
8. Cost Benefit Analysis

FEASIBILITY, ALTERNATIVES AND COST BENEFIT ANALYSIS

A Description and Discussion

FEASIBILITY STUDIES

IN COMPLEX, LARGE SCALE APPLICATION DEVELOPMENT PROJECTS

Feasibility Studies: Purpose

- **The Preliminary Study That Determines Whether a Proposed Systems Project is Technically, Financially, and Operationally Viable**
- **The Foundation for Approval of the Project's IAPD**

Feasibility Studies

- **Include an Alternatives Analysis, Identifying Viable Options for System Design and Development. Together, They Provide:**
  - Analysis of the System Objectives, Functional Requirements, and System Design Concepts
  - Feasibility of Applying Automation To Economically Improve Program Operations
  - Evaluation of Each of the Alternatives and Selection of an Optimal Solution

Feasibility Study Process

- **Describe the Status Quo**
- **Define the Problem**
- **Define System Objectives**
- **Identify System Constraints and Assumptions**
- **Develop Initial Requirements**
- **Assess Project Feasibility**

Describe the Status Quo

- **Understanding of How the Current System Works**
  - **Work Flow Analysis**
  - **Technical Architecture of Hardware**
  - **Software Components**
  - **Manual Components**
  - **Interfaces**

Define the Problem

- **What Functionality is Missing or in Need of Automation From the Current System**

- **What Functionality is in Need of Improvement or Modification in the Current System**

- **Obsolescence of Technological Platforms and Architectures**

Define System Objectives

- **Functionality for the New System**
  - **Added**
  - **Automated**
  - **Improved**
- **Define Technical and Organizational Objectives**
- **Define Ranking Criteria to Evaluate Alternatives**

Identify System Constraints

- **Law and Regulations**
- **Technological**
- **Socio-political**
- **Financial**
- **Operational**
- **Functional**

Identify Assumptions

- **Cost and Budget**
- **Resources**
- **Functional and Programmatic**
- **Technical**
- **Organizational**
- **System Life**

Identify Assumptions

- **Include All Assumptions That Will Affect the Analysis**

- **Document the Logic Underlying the Assumptions**

Initial Requirements

- **Reorganize All of the Previous Work Into a List of Requirements the System Must Fulfill**

- **Ensure Requirements Definitions for the Current System Were Considered**

- **Identify the Universe of Existing and Theoretical Options**

Assess Project Feasibility

- **Assess Project Feasibility Against the Universe of Options:**
  - **Technical**
  - **Political**
  - **Impact on Users**
  - **Cost**
  - **Resources**
  - **Risk**
  - **Organizational**

Results

- **Ability to Reduce the Universe of Potential Options to 2-4 Realistic Possibilities**

- **These Now Undergo Detailed Evaluation as Part of the "Analysis of Alternatives"**

ALTERNATIVES ANALYSIS

IN COMPLEX, LARGE SCALE APPLICATION DEVELOPMENT PROJECTS

Alternatives Analysis

An Analysis Which Considers the Alternatives Available for Automation.

Development Alternatives

- **Status Quo**
- **Enhance Existing System**
- **New Development**
- **Transfer**
- **Hybrid**

Technical Alternatives

- **Client Server vs. Main Frame**
- **Thin Client vs. Thick Client**
- **Web Technology vs Closed System**
- **Distributed vs. Centralized**
- **Custom vs. COTS**

Alternatives Analysis

- **Map Requirements to Hardware, Software, Processes and Personnel.**

- **Determine Risks and Effects**

- **Rank Alternatives**

- **Delete Non-viable Alternatives**

Determine Risks and Effects

- **Program Impact**
- **Equipment Impact**
- **Software Impact**
- **Information Impact**
- **Organizational Impact**
- **Operational Impact**
- **Developmental Impact**

COST BENEFIT ANALYSIS

IN COMPLEX, LARGE SCALE APPLICATION DEVELOPMENT PROJECTS

Cost Benefit Analysis

Detailed Evaluation of the Costs and Benefits of Each Alternative Identified During the Alternatives Analysis Is Critical …

… Pass or Fail Critical !
From a Federal Standpoint !

Costs

- **Cost the Status Quo**
- **Cost Alternatives to Status Quo**
- **Identify and Characterize All Costs**
- **Determine Whether to Use Constant or Current Dollars**
- **Build Each Cost Profile Year by Year**

Cost the Status Quo

- **Cost of Maintaining Current System With No Enhancements.**

- **Used As Control Group to Evaluate Other Alternatives.**

Cost Alternatives to Status Quo

- **Recurring Costs**

- **Non-Recurring Costs**

Identify and Characterize Costs

- **Hardware**
- **Software**
- **Training**
- **Personnel**
- **Database Conversion**
- **Other (examples in Guide)**

Determine Constant or Current $

- **Project Constant Dollar Cost and Benefits**
- **Convert Constant Dollars to Current Dollars**
- **Convert Future Dollars to Today's Dollars**

Build Each Cost Profile Year by Year

- **Estimate Effort Based on Metrics**
  - **COCOMO**
  - **Price-S**
  - **Function Points**
- **Compare to Similar Systems**
- **Run Experiments**
- **Measure Actuals**

Benefits

- **Identify and Characterize All Benefits**
  - **Tangible Benefits**
  - **Intangible Benefits**

Identify and Characterize All Benefits

- **Increased Collections**
- **Reduced Error Rates**
- **Reduced Costs**
- **Reduced Staffing**
- **Improved Security**
- **Improved Access**
- **Improved Interface**

Tangible Benefits

- **Derive Cost Saving From Benefit**
- **Document Assumptions Used in Derivation**

Intangible Benefits

- **List and Rate**
- **Examples**
  - **Worker Satisfaction**
  - **System Downtime**
  - **User Friendliness**
  - **Useful Life of System**

Cost Benefit Analysis

- **Convert Costs and Benefits to Current Dollars**
- **Compare Quantitative Factors**
  - **Net Benefit (Cost)**
  - **Benefit/Cost Ratio Based on the Full System Life Cycle**
  - **Breakeven or Payback**

Cost Benefit Analysis: Issues

- **Apply Assumptions, Costs, and Benefits Evenly Across All Alternatives**
- **Costs Are Not Always Known but May Be Estimated in a Range or With a Given Probability.**
- **Decide Evaluation Criteria Up-front**
- **Intangible Benefits May Matter**

COST BENEFIT ANALYSIS

Evaluation Criteria

Evaluation Criteria

- **Are Results Credible**
- **Are Assumptions and Estimates Reasonable**
- **Are Results Reproducible**
- **Are Assumptions Applied Evenly Across All Alternatives**

Analysis Guide Evaluation Criteria

- **That a Status Quo is Thoroughly Described**
- **That All Reasonable Alternatives Were Considered**
- **That a Full Cost Benefit Analysis to at Least Two (2) Alternatives is Accomplished**
- **That Alternatives Were Evaluated on System Life Cycle Basis**
- **That Present Value Analysis Was Used**

Analysis Evaluation Criteria (cont'd)

- **That Cost and Benefit Projections Appear Reasonable**
- **That Net Benefits or Ratios Were Calculated for All Alternatives**
- **That the Study Resulted in a Clear Cost and Benefit Plan**
- **Results Are Summarized for Selection Justification in the IAPD**

OVERVIEW

OCSE'S TYPICAL REVIEW
PROCESS BASED UPON PAST
EXPERIENCE

OCSE Typical FS Review

- **OCSE Review Process Is Approximately Eight (8) Weeks**
- **Uses OCSE Staff and Contractors to Conduct the Review**
- **Review Initiated Upon State Submittal of a Feasibility Study and Cost/Benefit Analysis**
- **Some Prior Review and TA of Preliminary Data (E.G. Evaluation Criteria)**

OCSE FS Review: WEEK 1

- **Assemble Team - OCSE Lead, OCSE Contractor Staff**
- **Start-Up Meeting to Discuss Overall Scope Collect Documentation - FS, CBA, Status Quo Document, Historical Data**

OCSE FS Review: WEEK 2

- **Initial Contractor Staff Review of Documentation**
- **Develop Initial Set of Comments**
- **Develop List of Questions for State Staff**
- **Develop Agenda for On-Site Review with the State**

OCSE FS Review: WEEK 3

- **On-Site Review With State Staff**
- **Provide Initial Comments to the State**
- **Ask Questions Developed During Initial Review**
- **Interview State and Their Contractors On the Processes Used to Develop the FS**
- **Collect Additional Documentation**

OCSE FS Review: WEEKS 4-6

- **Detailed Review of FS, CBA, and Other Documentation**

- **Follow-Up Conference Calls With State Staff, As Required**

- **Draft Report Developed by OCSE Contractor and Submitted to OCSE Lead**

OCSE FS Review: WEEKS 7-8

- **OCSE Lead Review of the Draft Report**
- **Additional Follow-Up Calls With the State As Required**
- **Incorporate OCSE Lead Comments Into Report**
- **Release Final Report**

OCSE FS Review: Documentation

- **Final FS, CBA, and Status Quo Document**
- **Interim Versions of Documents**
- **White Papers**
- **Review Correspondence (Review Comments and Responses)**
- **Requirements Analysis Documentation**
- **Gap Analysis**

References

- **Title 45 Public Welfare and Human Services Code of Federal Regulations (CFR), Part 307--Computerized Support Enforcement Systems**

- **Title 45 Public Welfare and Human Services Code of Federal Regulations (CFR), Part 95--General Administration-Grant Programs (Public Assistance and Medical Assistance)**

- **Title 45 Public Welfare and Human Services Code of Federal Regulations (CFR), Part 74 - Uniform Administrative Requirements for Awards and Subawards to Institutions of Higher Education, Hospitals, Other Nonprofit Organizations, and Commercial Organizations; and Certain Grants and Agreements with States, Local Governments and Indian Tribal Governments**

References

- **U.S. Department of Health and Human Services, Administration for Children and Families and Health Care Finance Administration – State Systems APD Guide, September 1996**

- **U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Support Enforcement – Addendum to State Systems APD Guide for Child Support Enforcement Systems, March 1999**

- **Action Transmittal OCSE-AT-90-11, Policy Clarification Relating to Automated Child Support Enforcement Systems, October 9, 1990**

References

- U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Support Enforcement – Automated Systems for Child Support Enforcement: A Guide for States, Revised April 1999, Updated December 1999

- U.S. Department of Health and Human Services, Administration for Children and Families – Feasibility, Alternatives, and Cost/Benefit Analysis Guide, July 1993

- U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Support Enforcement – Cost/Benefit Companion Guide, August 1994

- U.S. Department of Health and Human Services, Administration for Children and Families - Companion Guide 3: Cost/Benefit Analysis Illustrated for Child Support Enforcement Systems, September 2000

Closing

Questions

&

Answers

http://www.acf.hhs.gov/programs/cse/stsys/!cse.htm

Thanks To Our Guests

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